

15 MAR 1983

MEMORANDUM FOR THE RECORD

FROM: [REDACTED]

Deputy Director of Personnel

SUBJECT: Meeting with DDCI on Retirement/Social Security Reform Proposals

1. Early in the morning of 14 March 1983, I learned that the DDCI had instructed [REDACTED] to make a concerted effort to secure an exemption for CIA from the Social Security Reform legislation pending before the Senate. Through the Director of Personnel, we arranged for this action to be transferred to the Office of Personnel. At the same time, it became important that representatives of our Task Force meet with the DDCI to insure his full understanding of the implications of his instruction.

2. That afternoon, we met with the DDCI. Also present were the Executive Director, Mr. Glerum, [REDACTED] (and Strong and [REDACTED] of his Office), [REDACTED] and I.

3. As background, I summarized for Mr. McMahon the results of our briefing at the Senate Select Committee on Thursday, 10 March. This meeting had been called by Gary Schmidt, Senator Moynihan's Staff Director, as a result of an exchange between Senator Moynihan and the Director.

4. I reported that after a full discussion of the Agency's concern about both the retirement reform and Social Security proposals, we then discussed the various options to deal with the impact that the Social Security legislation would have. When we raised an outright exemption for CIA from the Social Security legislation, Gary Schmidt said that Senator Moynihan would "blow his top" as he has been opposing any effort from any group to obtain an exemption. Mr. Levine joined Mr. Schmidt in this view. When we discussed securing an exemption via the Intelligence Authorization Bill, Mr. Schmidt and Levine took the very same position.

Mrs. Victoria Toensing was non-committal and stated, as she did several times during the course of our briefing, that while she fully understands our concerns and would do anything to help, the Committee would be looking for strong White House signals to support any action to overcome our problems.

5. We then discussed the risk of attempting to secure an exemption now, i.e., before the Senate concludes its review this week of the Social Security Reform package. Our concern is the little time left to marshal this effort. Also, if we failed, as we predict, we would have a negative record of response to a CIA problem that could be difficult to overcome as we pursued other options. Our group then discussed with Mr. McMahon the option of seeking the exemption via the Intelligence Authorization Bill. After a discussion, he authorized us to initiate this effort at the Staff level. He agreed to ease our approach to Staff members by making calls to the appropriate Committees.

6. We used the occasion of our meeting with Mr. McMahon to discuss the option of bringing all Agency employees into CIARDS with a Plan A and Plan B and, as a fall-back, developing a unique supplemental system (that accompanies Social Security coverage) in such a way as to meet our needs. I told Mr. McMahon that at the House there was only minimal support for the CIARDS concept since the CIA retirement budget would grow considerably. The Senate Staff Members of both Committees fully supported the idea of developing a special supplemental system to resolve our needs. The support was especially strong at the Senate.

7. During the course of our meeting with the DDCI, the question of expanding the DCI concerns to the Intelligence Community was also discussed. This had been raised at our meeting with both Committees Staffs. It was agreed that we would deal only with the CIA case.

8. I then brought up the matter of the retirement reform proposals and reminded the group that there was an outstanding recommendation that the Director obtain the President's support for OMB to exempt the CIA overall, both Civil Service and CIARDS, from the age and penalty reductions of the Budget proposals. In this connection, I mentioned that Staff Members of both the House and the Senate indicated that since legislation had not yet been submitted to the Congress, we should be able to sell our case to the Administration. After discussion, the DDCI instructed us to prepare an appropriate letter from the President to the Director, OMB, transmitted by a memorandum from the DCI to the President.

9. After this meeting, I met with [redacted]

[redacted] It was agreed that it would be far better to wait for the

present Social Security Reform to become law before we initiate our conversations with Staff on the Intelligence Authorization Bill route. In this way we could insure that there would be no attempt by either Body at the last minute to insert some feature that dealt only with CIA security needs. We agreed that [redacted] would, in time, set up the appropriate HPSCI and SSCI meetings, [redacted] would draft the legislation that would exempt CIA and that I would draft the letter from the President to OMB.

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